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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
July 1970

Volume 14

Number 12

Realeased Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JULY 1970

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.31 and Excess Milk \$4.60. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 11 cents and 19 cents respectively above July 1969.

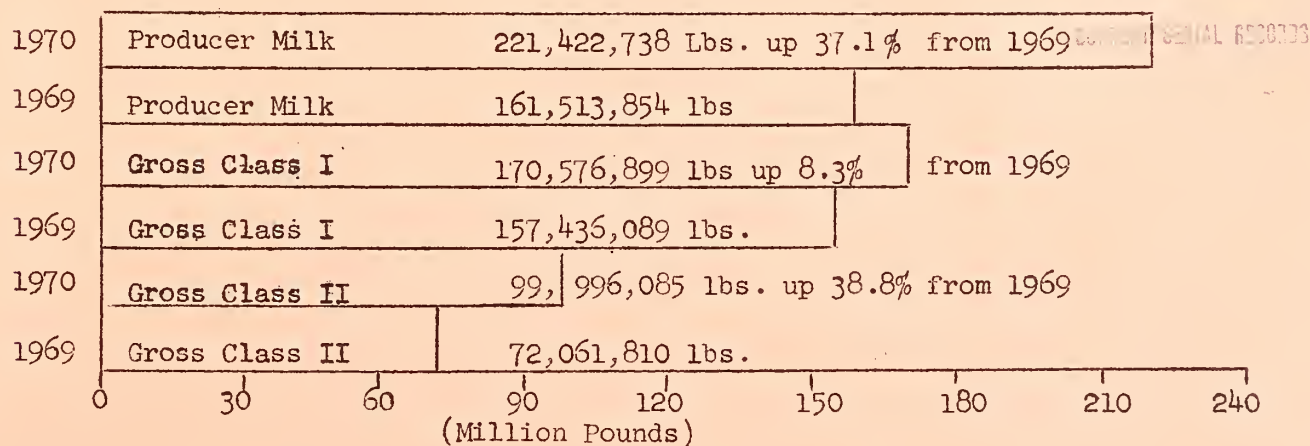
In July 1970, 71.6% of the producer milk received by pool plants was priced in Class I at \$6.76 per cwt. and 28.4% was priced in Class II at \$4.60 per cwt. The July butterfat differential for Class I was 8.4 cents and Class II was 8.0 cents.

Total producer milk received during July 1970 was 30,986,404 pounds which is an increase of 8,945,848 pounds or 40.6% compared with July 1969. Deliveries of producer Base milk exceeded producer milk used in Class I by 5,837,507 pounds or percentagewise only 79.2% of Base milk was used in Class I. The July daily average deliveries from 745 producers was 1342 pounds. This compares to 619 farms delivering a daily average of 1,149 pounds per day during July 1969.

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area will begin September 1, 1970, to establish a new milk base to be used in making payment to such producer during the months of March through July 1971. The 1971 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1970 through January 31, 1971 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1970 through February 1971. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
January thru July



COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% July '70 Over July '69	July 1970 21	June 1970 21	July 1969 18
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 40.6	999,561	1,015,371	710,986
Other Source	- 35.3	28,235	28,821	43,658
Other Federal Orders	-244.9	96,350	108,811	279,336
TOTAL MILK RECEIPTS	+ 8.7	1,124,146	1,153,003	1,033,980
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 11.0	436,989	411,374	393,699
Skim - Regular	- 0.7	19,441	18,959	19,577
Skim - 2% Milk	+ 21.1	95,720	93,895	79,048
Buttermilk	+ 7.4	51,148	49,917	47,625
Flavored Milk and Drink	- 19.5	18,198	17,995	22,616
Creams (Sweet and Sour)	+ 9.9	3,443	3,336	3,132
Sub-Total - Pkg. Products (Pool Plants)	+ 10.5	624,939	595,476	565,697
Other (Shrinkage, Inventory, etc.)		1,335	6,512	5,509
Sales to Non-Pool Plants		99,937	99,825	167,807
In-Area Sales by Non-Pool Plants	- 1.0	49,210	50,657	49,699
TOTAL CLASS I MILK	- 1.7	775,421	752,470	788,712
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 1.6	71,909	69,608	70,745
Cottage Cheese	+ 6.9	50,511	49,288	47,247
Powdered and Condensed Milk		-0-	10,199	8,844
Livestock Feed and Skim Dumped		7,173	7,850	7,074
Sub-Total - Used to Produce	- 3.2	129,593	136,945	133,910
Shrinkage Class II		13,088	14,501	14,531
Other (Inventory Variation, etc.)		586	(18,562)	3,996
Bulk Sales to Non-Pool Plants		205,458	267,649	92,831
TOTAL CLASS II MILK	+ 42.2	348,725	400,533	245,268
Class I Pkg. Lbs. In Area - Pool Plants	+ 3.0	454,535	450,003	441,375
Class I Pkg. Lbs. Out of Area - Pool Plants	+ 37.1	170,404	145,473	124,322
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 1.0	49,210	50,657	49,699
% Producer Milk of Gross Class I		128.9	134.9	90.1
% Producer Milk Priced in Class I		71.6	68.0	78.4

CLASS I DISPOSITION ON ROUTES IN THE MARKETING AREA
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	July 1970	June 1970	July 1969
Homo Milk	1,156,536	1,173,012	1,196,217
Skim - Regular	11,235	14,778	21,984
Skim - 2% Milk	185,751	165,097	85,704
Buttermilk	127,282	126,018	169,860
Flavored Milk & Drink	42,201	39,212	63,426
Creams (Sweet & Sour)	2,490	1,581	3,483
Total Pounds	1,525,495	1,519,698	1,540,674
Daily Average Disposition	49,210	50,657	49,699
No. of partially regulated plants	2	2	2
No. of Other Order Plants	13	13	9
Total non-pool plants	15	15	11

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

Page 3

July 1970	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		24,038,037	3.247		
Less Other Source		1,863,167	2.946		
Producer Milk Class I	71.6	22,174,870	3.271952	\$6.568440	\$1,456,543.03
Gross Class II		10,810,483	4.268		
Less Other Source		1,998,949	2.574		
Producer Milk Class II	28.4	8,811,534	4.651880	\$5.521504	486,529.20
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	30,986,404	3.664359		1,943,072.23
Less Fractional Adjustment					.10
Add Value of Overage					6,323.96
Add Value of Other Source Receipts					
Allocated to Class I		2,368			90.46
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					9,690.93
TOTAL VALUE AT TEST		30,988,772	3.664079	\$6.322217	\$1,959,177.48
Less Test over 3.5% @ 8.2¢ per point		30,988,772	0.164079	0.134545	41,693.84
TOTAL UTILIZATION VALUE AT 3.5%		30,988,772	3.5	6.187672	\$1,917,483.64
Less Reserve per \$1090.71(f)		30,988,772		.047672	
WEIGHTED AVERAGE PRICE - 3.5% TEST		30,988,772		\$6.14	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		2,368		\$6.14	145.40
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		30,986,404	3.5		\$1,917,338.24

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	Value
TOTAL PRODUCER MILK VALUE @ 3.5%	30,986,404			\$1,917,338.24
Excess Producer Milk Used in Class I	-		-	
Excess Producer Milk Used in Class II	2,974,027	\$4.60	\$136,805.24	
UNIFORM EXCESS PRICE - 3.5% TEST	2,974,027	4.60		\$ 136,805.24
Total Value of Base Milk	28,012,377	6.356237		1,780,533.00
Less Producer-Settlement Fund Reserve	28,012,377	.046237		12,952.08
UNIFORM BASE PRICE - 3.5% TEST	28,012,377	\$6.31		\$1,767,580.92

JULY 1970 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.90	\$4.19	4.0	\$6.72	\$5.01	5.0	\$7.54	\$5.83
3.05	5.941	4.231	4.05	6.761	5.051	5.05	7.581	5.871
3.1	5.982	4.272	4.1	6.802	5.092	5.1	7.622	5.912
3.15	6.023	4.313	4.15	6.843	5.133	5.15	7.663	5.953
3.2	6.064	4.354	4.2	6.884	5.174	5.2	7.704	5.994
3.25	6.105	4.395	4.25	6.925	5.215	5.25	7.745	6.035
3.3	6.146	4.436	4.3	6.966	5.256	5.3	7.786	6.076
3.35	6.187	4.477	4.35	7.007	5.297	5.35	7.827	6.117
3.4	6.228	4.518	4.4	7.048	5.338	5.4	7.868	6.158
3.45	6.269	4.559	4.45	7.089	5.379	5.45	7.909	6.199
3.5	6.31	4.60	4.5	7.13	5.42	5.5	7.95	6.24
3.55	6.351	4.641	4.55	7.171	5.461	5.55	7.991	6.281
3.6	6.392	4.682	4.6	7.212	5.502	5.6	8.032	6.322
3.65	6.433	4.723	4.65	7.253	5.543	5.65	8.073	6.363
3.7	6.474	4.764	4.7	7.294	5.584	5.7	8.114	6.404
3.75	6.515	4.805	4.75	7.335	5.625	5.75	8.155	6.445
3.8	6.556	4.846	4.8	7.376	5.666	5.8	8.196	6.486
3.85	6.597	4.887	4.85	7.417	5.707	5.85	8.237	6.527
3.9	6.638	4.928	4.9	7.458	5.748	5.9	8.278	6.568
3.95	6.679	4.969	4.95	7.499	5.789	5.95	8.319	6.609

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
					Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
July '69	\$6.03 ^{2/}	\$6.20	\$4.41	8.0¢	\$6.50	8.1¢	\$4.41	7.8¢
Aug.	6.10	-	-	8.0	6.74	8.1	4.42	7.8
Sept.	6.29	-	-	8.0	6.85	8.1	4.49	8.0
Oct.	6.18	-	-	8.2	6.70	8.4	4.58	7.8
Nov.	6.01	-	-	8.0	6.47	8.2	4.62	7.8
Dec.	6.17	-	-	8.0	6.77	8.1	4.63	7.9
Jan. '70	6.29	-	-	8.0	6.78	8.2	4.67	7.8
Feb.	6.26	-	-	8.0	6.82	8.1	4.63	7.8
Mar.	6.15 ^{2/}	\$6.30	\$4.58	8.0	6.78	8.1	4.58	7.8
Apr.	6.09 ^{2/}	6.29	4.60	8.2	6.73	8.2	4.60	8.0
May	5.99 ^{2/}	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 ^{2/}	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 ^{2/}	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	-	-	-	-	6.75	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 Butter ¢ Lb.	Chi.Area Powder ¢ Lb.	Min/Wisc. Mfg. Milk \$-Cwt-3.5%	Basic Formula Minimum	Class I		Class II	
					Pounds	Test-%	Pounds	Test-%
July '69	67.64	22.96	4.41	4.33	557,280	3.31	153,706	5.25
Aug.	67.80	23.01	4.42	4.33	559,555	3.30	212,789	4.82
Sept.	69.85	22.95	4.49	4.33	786,310	3.37	240,567	5.13
Oct.	68.23	22.93	4.58	4.33	796,489	3.41	237,254	5.66
Nov.	67.84	23.14	4.62	4.33	773,131	3.49	242,417	5.78
Dec.	68.45	22.96	4.63	4.33	736,616	3.46	284,057	5.76
Jan. '70	67.61	23.00	4.67	4.33	779,375	3.41	231,117	6.54
Feb.	67.60	23.15	4.63	4.33	774,028	3.42	259,675	5.73
Mar.	67.95	23.18	4.58	4.33	761,892	3.35	298,922	5.25
Apr.	69.83	25.96	4.60	4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm ----Pounds		
	Hdlers.	Receipt	Use	Prod.	Delivery	Delivery	Test	Prod.	Base	Exc.
July '69	18	1,033,980	788,712	619	710,986	644,643	3.73	1,149	1,041	108
Aug	19	1,170,556	761,915	620	772,344	-	3.72	1,246	-	-
Sept.	18	1,145,420	868,129	751	1,026,877	-	3.79	1,367	-	-
Oct.	19	1,154,387	869,889	756	1,033,743	-	3.93	1,367	-	-
Nov.	19	1,204,899	841,680	755	1,015,548	-	4.04	1,345	-	-
Dec.	20	1,310,785	792,076	773	1,020,673	-	4.10	1,320	-	-
Jan. '70	20	1,241,790	834,648	752	1,010,492	-	4.12	1,344	-	-
Feb.	21	1,359,501	835,831	748	1,033,703	-	4.00	1,382	-	-
Mar.	21	1,397,629	824,119	745	1,060,814	971,078	3.89	1,424	1,303	121
Apr.	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	745	999,561	903,625	3.66	1,342	1,213	129

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I